GOVERNMENT OF INDIA
URBAN DEVELOPMENT
LOK SABHA

STARRED QUESTION NO:100
ANSWERED ON:20.02.2009
EXECUTION OF JNNURM PROJECTS
Veerendra Kumar Shri M.P.

Will the Minister of URBAN DEVELOPMENT be pleased to state:

(a) whether a number of projects under Jawaharlal Nehru National Urban Renewal Mission (JNNURM) costing sizeable amount have been adversely affected because of the rising costs of raw materials and the States are finding it difficult to implement them;

(b) if so, the details thereof;

(c) whether the Government proposes to relax the funding norms to help local bodies to meet the additional funding liabilities; and

(d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF URBAN DEVELOPMENT (SHRI AJAY MAKEN)

(a)to(d): A Statement is laid on the Table of the Sabha.

STATEMENT

STATEMENT REFERRED T O I N REPLY T O L OK SABHA STARRED QUESTION NO.100 F O R 20-02-2009 REGARDING EXECUTION OF JNNURM PROJECTS.

(a)&(b): Some State Governments including of Maharashtra, Kerala, West Bengal, Chattisgarh, Madhya Pradesh, Karnataka, Assam, Arunachal Pradesh, Tamil Nadu and Uttar Pradesh have indicated that increase in cost of raw materials such as steel, cement , stone chips etc., have resulted i n increase in project cost and p ut additional burden o n the State Governments a n d municipalities, particularly the smaller municipalities. The State Governments and municipalities have expressed difficulties in mobilization of additional resources leading to delay in the implementation of some projects.

(c)&(d): Due to constraint of funds at the Government of India Level, price escalation cannot be considered and the State Governments have to bear the cost of price escalation of projects from their own resources.